RAJYA SABHA

Tuesday, the 20th November, 2007/29 Kartika, 1929 (Saka)

The House met at eleven of the clock,
MR. CHAIRMAN in the Chair.

RE-QUESTION HOUR

MR. CHAIRMAN: Question No. 61. (*Interruptions*)... Please allow the Question Hour to proceed. (*Interruptions*)... Question No. 61. (*Interruptions*)... Question No. 62. (*Interruptions*)... Please go back. (*Interruptions*)... Question No. 62. (*Interruptions*)... Please. Question No. 63. (*Interruptions*)... Please resume your places. (*Interruptions*)... Please resume your places. (*Interruptions*)... Plase resume your places (*Interruptions*)... Question No. 63 (*Interruptions*)... Question No. 63, Dr. Joshi. (*Interruptions*)... Please resume your places. (*Interruptions*)...

The House is adjourned till 12 o'clock.

The House then adjourned at two minutes past eleven of the clock.

The House reassembled at twelve of the clock.

MR. DEPUTY CHAIRMAN in the chair.

WRITTEN ANSWERS TO STARRED QUESTIONS

Foreign Visits of officials of public sector Banks

*61. SHRI VARINDER SINGH BAJWA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has issued directions/guidelines that Chairman and Managing Directors of Public Sector Banks would not undertake foreign visits for more than ten days in a financial year;

(b) if so, when these directions were issued and the details thereof;

(c) whether violations of these directions have come to Government's notice during 2005, 2006 and 2007, so far;

(d) if so, the details thereof; and

(e) the action taken/proposed to be taken against the violators?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (e) On 11th December 1997, Government had issued detailed instructions [copy enclosed as Statement (*See* below)] to heads of Public Sector Banks and Financial Institutions allowing them to undertake foreign visits for a certain number of days without prior approval of the Government. Government has since decided to grant managerial autonomy to the Public Sector Banks in February, 2005. To ensure that the Banks are Board driven and whole time Directors are directly responsible to

their Boards of Directors, the Government has *inter alia*, delegated to the Boards of the Banks, the powers to approve need based visits of Chairmen and Managing Directors/Executive Directors to foreign countries. No incidence of any violation of these guidelines has come to the notice of the Government.

Statement

F.No. 18/1/97-B.O.I.
Government of India
Ministry of Finance
Department of Economic Affairs
(Banking Division)

Jeevan Deep Building,
Sansad Marg,
New Delhi-110001,
Dated the 11th December, 1997.

To,

1. Chairman/Managing Directors
   State Bank of India
   Central Office, Mumbai.
2. Chairman,
   Industrial Development Bank of India,
   Head Office, Mumbai.
3. Chairman/Managing Director,
   National Bank for Agriculture and Rural Development,
   Head Office, Mumbai.
4. Managing Director,
   Export-Import Bank of India,
   Head Office, Mumbai.
5. Chairman and Managing Director,
   National Housing Bank,
   Head Office, New Delhi.
6. Chairman and Managing Director,
   Industrial Investment Bank of India Ltd.
   Head Office, Calcutta.
7. Chairman and Managing Directors and Executive Directors of 19 Nationalised Banks

Subject:— *Foreign visits by the wholetime directors of public sector banks and financial institutions.*

Sir,

As per the existing terms and conditions of appointment issued by the Government of India wholetime directors of public sector banks and financial institutions are required to obtain prior permission of the Government for undertaking any visit abroad for official purpose. Such visits are undertaken for reviewing the operations/performance of the banks' overseas branches/ offices, attending seminars, conferences, workshops, meetings of World Bank/IMF/ADB and other international bodies, meeting the foreign correspondent banks, overseas clients, promotion

of public issue etc. A copy of such requests is to be sent to Reserve Bank of India. On return from such visits they are required to submit a report on the foreign tour to the Central Government and Reserve Bank of India. However in the event of their personal visit abroad, prior intimation only is required to be sent to the Government.

2. The matter has been reconsidered by the Central Government in the context of granting more autonomy to the public sector banks and financial institutions. It has now been decided that prior approval of the Central Government would not be required for foreign visits for periods (excluding travel time) as indicated below:—

	Category of post(s)	Banks having more than 10 branches/offices abroad	Banks having 10 or less branches/ offices abroad	Banks having no branches/ offices abroad
(a)	(i) Chairman, State Bank of India (ii) Chairmen and Managing Directors of nationalised banks	20 days in a calendar year	10 days in a calendar year	7 days in a calendar year
(b)	(i) Managing, Directors, State Bank of India (ii) Executive Directors of nationalised banks (with the approval of Chairman/CMD)	10 days in a calendar year	5 days in a calendar year	4 days in a calendar year

In the case of the wholetime directors of financial institutions, prior approval of the Central Government would not be required for such foreign visits as indicated below:—

(a)	(i)	Chairman and Managing Director, Industrial Development Bank of India	15 days in a calendar year
	(ii)	Chairman, National Bank for Agriculture and Rural Development	
	(iii)	Chairman and Managing Director, National Housing Bank	
	(iv)	Chairman and Managing Director, Industrial Investment Bank of India Ltd.	
	(v)	Managing Director, Export Improt Bank of India	
(b)		Managing Director, National Bank for Agriculture and Rural Development (with the approval of Chairman)	8 days in a calendar year

3. The above wholetime directors shall keep their Board of Directors, Central Government and Reserve Bank of India informed of their visits which are within the above prescribed limits. Prior to undertaking the visits during Parliament session, it may be ensured that prior intimation is sent to Government at least 10 days in advance. In cases where it is proposed to undertake any foreign visit in excess of the above prescribed limits, prior permission of the Central Government as hitherto may be obtained. In regard to leave during foreign visits and the wholetime directors being accompanied by their spouses during such visits the existing instructions shall apply.

4. The receipt of this letter may kindly be acknowledged.

Yours faithfully,

S/d-

(Sudhir Shrivastava)
Director

Copy to: Shri B.S. Sharma, Executive Director, Reserve Bank of India, Central Office, Mumbai for information.

Strengthening of the financial system

*62. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether USA has offered support to strengthen and expand India's financial system;

(b) if so, whether any dialogue has been initiated to reach agreement on the issue;

(c) if so, whether developing Mumbai into an International Finance Centre (IFC) forms part of the agenda; and

(d) if so, the details of the steps, in addition to IFC, that are envisaged to be taken up with USA?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) In the meeting of Indo-US Financial and Economic Forum, 2007 held in New Delhi on 30-31st October, 2007, US side has offered that it may cooperate with Indian side on sharing its experience in providing financial education and awareness in the country so that the public policy on financial education and awareness in India could be strengthened.

(c) and (d) In the Infrastructure Investment Conference held at Mumbai on 29th October, 2007, the US Treasury Secretary articulated the importance of development of Mumbai as International Financial Centre. However, in the Government-to-Government dialogue during Indo-US Financial and Economic Forum, 2007, the discussion on MIFC did not form part of the agenda.

†Increase in prices of common consumer goods

†*63. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn towards the recently published report by the Price Monitoring Cell of the concerned department of the Ministry of Consumer Affairs indicating therein that the prices of fifteen common consumer goods of daily use have increased by 25 per cent during the last one year only;

(b) if so, the reaction of Government thereto; and

(c) the names of the consumer goods about which study has been conducted and reported in the said publication?

† Original notice of the question was received in Hindi.